



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10
2201 Sixth Avenue, MS/RX 43
Seattle, Washington 98121

William Hogan, Commissioner
Department of Health and Social Services
Post Office Box 110601
Juneau, Alaska 99811-0601

RE: Alaska State Plan Amendment (SPA) Transmittal Number 09-008

Dear Mr. Hogan:

The Centers for Medicare & Medicaid Services' (CMS) Seattle Regional Office has completed its review of Alaska State Plan Amendment (SPA) Transmittal Number 09-008. This SPA adds coverage of medically necessary vaccines for beneficiaries aged 19 and older to the State plan according to the Advisory Committee on Immunization Practices guidelines, including vaccines for influenza and H1N1. This SPA has been approved by CMS and is effective October 1, 2009, as requested by the State.

During review of this SPA, CMS learned that Alaska was allowing some pharmacists administering vaccines to claim Medicaid reimbursement for both a vaccine dispensing fee and a vaccine administration fee for the same unit of vaccine. CMS noted that in instances where an administration fee is paid to the pharmacist, reimbursement under the pharmacy benefit is limited to the cost of the drug only. Pharmacies are paid for Medicaid prescribed drugs based on the lower of the estimated acquisition cost plus a reasonable dispensing fee, or, the provider's usual and customary charge to the general public. The State quickly included language in the SPA pages under review that clarified that qualified pharmacists are not eligible to receive a dispensing fee for vaccines when an administration fee is paid. Additionally, the SPA clarified that the administration fee is \$17.46. CMS appreciates the State's swift response.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact Tania Seto at (206) 615-2343 or via e-mail at Tania.Seto@cms.hhs.gov.

Sincerely,

/s/

Carol J.C. Peverly
Acting Associate Regional Administrator
Division of Medicaid and Children's Health
Operations

cc: William Streur, Deputy Commissioner, Department of Health and Social Services

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Drafter: Tania Seto

File Name: Approval Letter AK 09-008

File Code: 3300 State Plan\3301 Amendments\Alaska\2009\AK 09-008 (adult immunizations)